

REPORT SUMMARY

Department of Commerce

This audit report is the result of our financial-compliance audit of the Department of Commerce (department) for the two fiscal years ended June 30, 2007. We issued a qualified opinion on the financial schedules contained in this report. This means the reader should use caution in relying on the financial information presented in the financial schedules, as well as the supporting data on the state's accounting system.

The report contains seven recommendations to the department. The previous audit report contained seven recommendations. The department implemented six recommendations, and partially implemented one recommendation. The partially implemented recommendation regarding suspension and debarment is discussed in this report beginning on page 8.

The listing below serves as a means of summarizing the recommendations contained in the report, the department's response thereto, and a reference to the supporting comments.

Recommendation #1

We recommend the department minimize the time between the request for federal funds and their disbursement for federal programs purposes, as required by federal regulations..6

Department Response: Concur.....B-3

Recommendation #2

We recommend the department follow established internal control procedures to ensure housing assistance payment calculations are accurate prior to approval.7

Department Response: Concur.....B-3

Recommendation #3

We recommend the department properly calculate the average monthly Housing Assistance Payments reported to the federal government.....7

Department Response: Concur.....B-3

Recommendation #4

We recommend the department continue to implement procedures to ensure compliance with federal requirements that prohibit contracting with suspended and debarred parties. .9

Department Response: Concur..... B-4

Recommendation #5

We recommend the department work with the Board of Investments to implement procedures to ensure Investment Trust Fund activity is classified properly on the state's accounting records, in accordance with state accounting policy. 10

Department Response: Concur..... B-4

Recommendation #6

We recommend the department establish procedures to verify the accuracy of revenue estimates recorded on the state’s accounting records..... 11

Department Response: Concur..... B-4

Recommendation #7

We recommend the department:

A. Recognize revenue in the Enterprise Fund in accordance with state law and accounting policy.

B. Record deferred revenue in accordance with state law and accounting policy..... 12

Department Response: Concur..... B-4